

MINUTES OF MEETING OF THE CORPORATIONS COMMITTEE

Friday, June 6, 2008

A regular meeting of the Corporations Committee (the "Committee") of the Business Law Section of the State Bar of California was held in Los Angeles, California at the Los Angeles Airport Marriott on Friday, June 6, 2008. Attendance was as follows:

MEMBERS PRESENT:

Richard Burt*
W. Derrick Britt
Edward A. Deibert
Bruce Deming
Samuel C. Dibble
Sharon R. Flanagan
Bryan Gadol
David Hernand
Nina Hong
Barbara Mathews
Mike Occhiolini*
Charles Ortmeyer
David Serepca
Jennifer Sostrin

MEMBERS ABSENT:

Nelson Crandall
Christopher Delfino
Michael I. Froch
Steven Harmon
Jeffrey Hartlin
Anne Marie Peters
Rose Sorensen
James J. Thompson
Russ Wood

LIAISONS AND GUESTS PRESENT:

Carol Pollock, Securities and Exchange Commission
Colleen Monahan, Department of Corporations*
Keith Bishop, Executive Committee*
Todd Vlaanderen, California Secretary of State

*Via Telephone

The minutes summarize discussion primarily in the order items were listed on the Agenda for the meeting previously circulated to members of the Committee, which is not necessarily the order in which the items were actually taken up at the meeting. The Committee did not take up those topics listed on the Agenda that are not described in these minutes.

I. ADMINISTRATIVE MATTERS

1. Opening Remarks and announcements: The meeting was called to order by Co-Chair B. Mathews at 9:30 a.m. All members, liaisons and guests introduced themselves.
2. Approval of Minutes: Minutes of April and May meetings approved, subject to minor comments.

II. AGENCY AND LIAISON'S REPORTS

1. Securities and Exchange Commission: Ms. Pollack reported on new developments.
2. Department of Corporations: Ms. Monahan reported on new developments. Among other bills, tracking AB1925 which gives Franchise Tax Board authority to revoke any license to the extent of back taxes.
3. Secretary of State: Mr. Vlaanderen reported. UCC Connect images are back. Reported on numerous matters. Discussed name availability endeavor.
4. Office of Governmental Affairs: No report.
5. BLS Committee Liaison Reports:

A. ADR: Mr. Harmon submitted written report. ADR committee met on May 27th. Meeting agenda included new case reports, a report on the final draft of the Business Lawyer's Guid to ADR, and the future direction of the ADR committee. Mr. Harmon received reports from Mr. Hazen (liaison to ADR committee) and Mr. van Ginkel (ADR committee chair) about the "future direction" discussion and decision. In consultation with the BLS executive committee, the ADR committee decided to seek a "merger" with the Litigation Section's ADR committee. This was a disappointing development for the ADR committee, which identified itself as providing a unique value for business lawyers that would not be delivered under the auspices of the Litigation Section. ADR committee members are now awaiting reports from BLS executive committee on its merger discussions with the Litigation Section executive committee. Mr. van Ginkel advised that the ADR guide publication may be delayed and possibly published jointly by BLS and Litigation Section if the merger can be accomplished. The next ADR committee meeting is scheduled on July 15, although this date may change to the extent the merger proceeds.

B. Cyberspace Law: No report.

C. Financial Institutions: Mr. Occhiolini reported about prior meeting. Among other matters, Mr. Occhiolini reported on proposed Treasury Blueprint in respect of regulatory reform. Mr. Occhiolini will serve on a panel concerning the same. Ms. Pollack commented on proposed merger of CFTC and SEC.

D. Non-Profit Corporations: No report. Mr. Deming volunteered to serve as the new liaison through the end of '08.

E. Partnerships and LLCs: Ms. Flanagan reported that there is nothing to report.

F. UCC: Mr. Ortmeier reported. Discussed hidden liens project report. Working draft is on UCC committee's website. He noted partnership guide, and in connection with same, Mr. Ortmeier posted table of contents on Hummingbird Site.

G. Agribusiness: No report.

H. Insolvency: Mr. Serepca reported that there is nothing to report.

I. Executive Committee: No report.

III. SUBCOMMITTEE REPORTS

1. Legislation: Mr. Britt reported.

A. AB 2944 Amendment to Section 309: Statement of opposition submitted by the Office of Governmental Affairs. Set for hearing in Senate Judiciary Committee on June 10. Mr. Britt solicited volunteers to appear at the upcoming hearing. Discussion ensued concerning the bill.

B. SB 1550 Climate Change Disclosure Standards: Second statement of position submitted to Legislative Subcommittee of Ex Com on 5/19/08. Bill would require the Secretary of State, in consultation with the investment community, to develop a climate change disclosure standard for use by listed companies doing business in California. The standard would provide guidance on disclosure of climate change risks and opportunities for listed companies. Bill currently in Assembly held at front desk. Question raised as to whether Committee should pursue opposition to bill. Discussion ensued concerning the bill. Motion approved to continue with efforts to oppose bill.

D. Potential ALP re: Householding: Revised ALP was approved at 4/4/08 meeting. Submitted to Legislative Subcommittee on 4/8/08.

E. Corporation Regulation Clean-up Comment Letter: Previously circulated for comment after last Committee meeting. Committee voted unanimously to approve the letter, with such additional changes as necessary.

F. SB 294 Subcommittee Report: Mr. Britt to follow-up with Mr. Hazen.

G. Name Change Comment Letter: Submitted to Legislative Subcommittee of Ex Com on 3/16/08.

H. Potential ALP re: 301.5 and 25219 ("Name Change"): In process.

I. SB 1409: Unanimously approved by Senate and urgency clause adopted on 4/28/08. Bill now goes to the Assembly Banking and Finance Committee. Ms. Flanagan to appear at hearing.

J. Proposed Rulemaking for Over the Counter Regs:

K. Legislation Update: Previously covered.

L. S.2450 – ABA request for letter of support to House Judiciary Committee members: Comments solicited. Committee voted unanimously to approve letter, subject to additional changes submitted at Committee meeting, with authority granted to Mr. Wood and Mr. Britt to make such additional minor changes following Mr. Hazen's review of the letter.

M. S.2956: Discussion concerning S.2956. Subcommittee formed to identify Committee's position and report back at next meeting. Subcommittee shall consist of the following individuals: Mr. Serepca, Mr. Ortmeier and Ms. Flanagan.

O. Other: (1) Discussion concerning People v. Cole. Subcommittee formed to review case. Subcommittee shall consist of the following individuals: Mr. Ortmeier, Mr. Deibert and Mr. Britt. (1) Mr. Britt also noted that the Nonprofits Committee is submitting an ALP which seeks to revise Section 20 of the California Corporations Code. Mr. Flanagan, Mr. Britt and Mr. Serepca will serve on subcommittee. Committee voted unanimously to approve subcommittee moving forward and submitting comments.

2. Communications/ Website:

A. Website Subcommittee: Mr. Deibert reported that the subcommittee met and will meet again at the end of the month in an effort to make changes beginning July.

B. E-Bulletin Topics: Mr. Deibert reported.

(i) S.186 Comment Letter on Attorney-Client Privilege:

(ii) Business Entity Names:

(iii) Changes to Rule 144:

(iv) Reg D Amendments: E-bulletin to be circulated.

(v) SB 1409:

(vi) SB 1550 and AB 2944 Comment Letters:

(vii) Other Ideas:

3. Education/ Publications:

A. Webinars: Mr. Dibble reported. Ms. Orloff circulated email to BLS Ex Com Members and Advisors and Standing Committee Leaders, together with Committee, announcing that the webinar entitled “The Straight Scoop on Conflicts for Corporate Lawyers” set the record for all State Bar Sections for “largest attendance at a webinar” and commended the Committee for this accomplishment.

(i) Legal Ethics Webinar report:

(ii) Comparison of Fiduciary Duties of For-Profit and Non-Profit Corporation Directors:

(iii) Other Webinars:

(iv) Annual Meeting Program Topic – Update on Corporate Law Developments:

(v) Other Program Topics:

(vi) BLN Article (due 6/30/08):

4. Corporate Law Departments Report: Mr. Ortmeier reported.

5. Litigation:

IV. ONGOING PROJECTS:

1. Business Entity Name Issues:

2. Privilege Issues:

A. ABA Task Force on Attorney-Client Privilege: Mr. Froch reported that the ABA Task Force canceled last meeting and set a meeting for August. He will attempt to attend the meeting in DC.

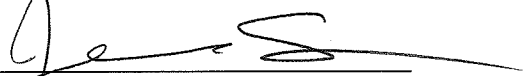
B. Progress on S. 186 and Rule 502:

C. Office of Rural Legal Assistance:

V. NEW BUSINESS:

1. Treasury Regulations on Financial Institutions Blueprint: Previously discussed.

Respectfully Submitted,



J. Sostrin, Secretary

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